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## Senate

The Senate met at 9:30 a.m. and was called to order by the President pro tempore (Mr. STEVENS).

### PRAYER

The Chaplain, Dr. Barry C. Black, offered the following prayer.

Let us pray.

O God, our protection, who fills the universe with the mysteries of Your power, guide and direct our lawmakers today in their work. Sustain them with the knowledge of Your mercy and supply them with wisdom for life's crossroads. Make them aware of Your presence during critical moments of decision.

In the hour of temptation, help them to exercise self-control. Use their skills for the strengthening of the Nation. Give each of us a faith in You that can be seen in our daily lives.

Thank You, Lord, for the opportunity You have given so many of us to serve You as we labor for our country. Enable us to live quiet and peaceful lives as we honor You.

We pray also for our men and women in harm's way around the world.

Amen.

### PLEDGE OF ALLEGIANCE

The PRESIDENT pro tempore led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

### RESERVATION OF LEADER TIME

The PRESIDENT pro tempore. Under the previous order, leadership time is reserved.

### MORNING BUSINESS

The PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business for up to 90 minutes with Sen-

ators permitted to speak therein, with the first 30 minutes under the control of the majority leader or his designee, and the next 30 minutes under the control of the Democratic leader or his designee.

### RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The Senator from Kentucky is recognized.

### SCHEDULE

Mr. MCCONNELL. Mr. President, today we have a period of morning business for up to 90 minutes. The first hour of that time is divided with the majority controlling the first 30 minutes, and the minority in control of the second 30 minutes.

At about 11 o'clock, the Senate will begin consideration of S. 384, the Nazi War Crimes Working Group extension bill. Senator DEWINE is the primary sponsor of that legislation, and he will be here to begin the debate.

Last night, we reached an agreement for 90 minutes of debate on the bill to accommodate several Senators who want to speak on the underlying legislation. It does not appear that a roll-call vote will be necessary on passage of S. 384, and we will notify everyone if someone requests a vote.

We are also working on agreements for the genetic nondiscrimination bill and the high-risk pooling bill.

This week, we also hope to consider the committee funding resolution, as well as any additional nominations that become available.

Finally, I remind all of our colleagues of the traditional reading of George Washington's Farewell Address that will occur this Friday. The junior Senator from North Carolina, Mr. RICHARD BURR, has agreed to deliver that address, and we thank him in advance for his contribution to this long-standing Senate tradition.

Mr. President, I ask unanimous consent that the final 30 minutes of the allotted morning business time be under the control of Senators CORNYN and LEAHY, or their designees.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MCCONNELL. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. COLEMAN. Mr. President, I ask unanimous consent that the order for the quorum call be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

### SOCIAL SECURITY

Mr. COLEMAN. Mr. President, much of the discussion of Social Security has been dominated by the politics of fear, scaring seniors into believing their benefits will be cut or taken away.

Let me be clear. Discussions about Social Security are not about the retirement security of those Americans who are 55 or older; the Social Security system for folks 55 and older is fine. It is not going to be changed. I will be one of those. If you were born before 1950, you are OK. There is nothing to worry about. In fact, I urge those 55 or older, talk to your kids; Talk to your grandkids; Start thinking a little bit about their future.

Social Security is a sacred trust. Many Minnesotan seniors depend on Social Security each month to buy food and medicine. Those checks are going to continue regardless of what happens in the discussion today.

The reality is we face a challenge, the challenge that the President of the United States talked about in the State of the Union, a challenge to work in a bipartisan way to fix the problems we all know Social Security faces today.

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



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Society is changing. We are living longer. We are healthier, more productive. This places greater pressures on America's retirement system.

When Social Security was started, there were 41 workers for every retiree. By 1960, there were 16 workers per retiree. Today there are 3 workers per retiree. When the baby boomers start to retire in only 3 years, there will be a point where there are 2 workers for every retiree. That is the challenge we face.

As we start to retire, right now we have a surplus. In 13 years, we will be paying more out of Social Security than is coming in as more and more baby boomers retire. Congress will be faced in a little over a decade and beyond with a decision of how to make up the hundreds of billions of dollars going out of a system, than is coming in. That will have an impact on many other things we need to do for the country.

The challenge is, do we sit and wait? Three years comes quickly. In 13 years, the system pays out more than comes in. What do we do before we reach that point? It is not bankrupt but it means it does not have enough money to pay its obligations. Two-thirds of the folks working today every day have 12 percent from their paycheck taken out for Social Security every week. At a certain point they will not have that. That is a reality. It is not political rhetoric. It is a reflection of demographics.

The question is, What do we do? I offer personal experience on an issue like this to my colleagues to reflect upon. When I was elected mayor of St. Paul in 1993, there was a contract settled before I became mayor. My budget director then walked in, and said: Mr. Mayor, we will have \$200 million of unfunded liability retiree health benefits based on their contract unless we do something. The good news is it is 15 years away. My advisers said, 15 years away, that is not your problem; that is someone else's problem down the road.

I had a son who was 8 years old and my daughter was 4. I thought that 8 years was a blink of the eye. Fifteen years is two blinks of the eye. It comes quickly. Any parent knows if your kid today is 3 years old, 5 years old, they will start college in 13 years. It is a blink of the eye.

The reality is I got sued and picketed, but we worked out a solution. We rejected a contract and worked out a solution that did not impact those in the program today, not unlike what the President is saying, that we are not going to impact those who are 55 or older today, but for younger people coming in we are going to look at their future and figure out what we are going to do. And we did. That was a little over a decade, 12 years ago. I don't see discussion today in St. Paul, the capital city, about unfunded liability. We had the courage to address the situation.

The challenge is to fix Social Security permanently in an open, candid,

and bipartisan approach to reviewing the option. Any proposal must be fashioned in a bipartisan way. On this score, the President highlighted a number of proposals that friends on the other side of the aisle in the past have offered.

For example, President Clinton spoke of increasing the retirement age when he was in office. Former Congressman Tim Penny from my home State of Minnesota has raised the possibility of indexing benefits to prices rather than wages. Former Senator John Breaux suggested discouraging the early collection of Social Security benefits. The late Senator Daniel Patrick Moynihan recommended changing the way benefits are calculated.

I am hopeful my Democratic colleagues today will have the wisdom of their predecessors to recognize a problem is on the horizon and will have the willingness to work with us to find a solution. Again, some will tie this discussion to a national scare campaign to exploit fears for political gain. Don't. Talking about the future of our kids is way too important. Today's discussion about Social Security is about giving the younger generation, in part, a higher rate of return on the paltry 1.6 percent they earn from Social Security today, a 1.6-percent return on their investment.

There is a discussion we are having about allowing younger workers the opportunity to build their own nest egg, to give them a sense of ownership that they do not have over the money they themselves earn and pay into Social Security. It is their money and they are working for it. They should have the right to generate a return on that investment in a way that is not subject to speculation, not subject to rolling the dice. We can set up a system that gives younger workers an opportunity to have a nest egg that will grow. That is not the entire solution, but it is part of the solution.

Let us have the willingness to work together to give young people that opportunity to have a piece of the rock for themselves and, at the same time, have the courage to deal with some of the broader issues.

The question is, Will we in Congress make a political decision and do what is easy and push a \$10.4 trillion gap in Social Security to another generation and another Congress or will we make the responsible decision and try to find a way to make sure America's retirement system is there for future generations? I sincerely hope we choose not to pass along to our children and grandchildren a decision which may be difficult today but devastating tomorrow.

It has been said that necessity is the mother of invention. There is a real opportunity right now as parents and grandparents to come up with a plan that leaves our kids with something better than we have; that is, an opportunity to own, build, and grow a nest egg of their own.

In conclusion, as President Clinton declared in 1998 about Social Security reform:

We all know a demographic crisis is looming. If we act now, it will be easier and less painful than if we wait until later.

It is 2005. It is time to do something. I hope my colleagues on both sides of the aisle come together and get it done.

I yield the floor.

The PRESIDING OFFICER (Mr. VITTER). The Senator from Wyoming.

Mr. THOMAS. Mr. President, I will continue discussing the issue before the Senate, Social Security, which in the last several weeks has been talked about in Washington, DC, and throughout the country.

Reactions have been interesting—many without much information about the alternatives, the needs. I suspect the most important thing we can do is to talk about the situation as it exists, the situation as it will exist if we do nothing, what the options are and what the impacts will be.

It has become, right or wrong, the principal issue. I don't think anything will happen too quickly because there needs to be time taken to explore the issue, to get people to understand the issues. Everyone is meeting at home with their constituents.

I met last weekend in Cheyenne, WY, with the AARP and exchanged some ideas. We have to continue that.

In my view, the President has properly brought forth the issue. He has indicated, if we do not do something now it will be even more difficult to do it in the future years. I don't think anyone argues the idea that our prime purpose is to maintain Social Security so it fulfills what has been laid out for people in the future, so it does not affect those in retirement on Social Security or affect those closer to that age.

It is naive to imagine a program put into place in the 1930s will go on for another 100 years without having some changes. Changes have taken place certainly in this country and will continue to take place.

I am hopeful we can explore the situation, that we can become more familiar with the impact if we do nothing, become more familiar with potential problems that will exist, and then, of course, take a look at potential changes.

It is important to understand what the administration and the President has laid out. As the President has said a number of times, he is willing to take a look at different solutions. That is where we are.

We had a meeting in the Finance Committee yesterday and went over interesting ideas, primarily, the so-called trust fund that exists. You can predict what will happen in that in terms of the cashflow, in terms of the interest.

Everyone does not recognize that when the Social Security moneys come in they go into the Federal fund with all other incomes and then they are sent over with a bond to the trust fund

and interest is earned on that trust fund from the Federal Government basic incomes. Those are bonds that come over and, of course, will, over time, like about 2009 when the income does not equal the outgo, these trust funds will have to be turned into cash so they can then be used to pay benefits.

My goals are to protect the promised benefits to retirees and potential retirees, to create a system for future generations, so the benefits of financial security that have been enjoyed by others will continue to be enjoyed for our kids as time goes by.

I believe strongly in the idea of incentives for people to create their own retirement program. Social Security was designed to be a supplement. I am hopeful—whether it is in the Social Security Program or whether it is outside of that program—that we continue to provide incentives for people to put aside their own money for retirement. Of course, in order to make that successful, the earlier you start putting aside some money, the more likely you are to have some when you need it later.

That is one of the issues before the Congress, whether the personal accounts should be made part of Social Security so there would be an opportunity for the kind of growth that can take place in the private sector.

However, those are two different issues. They are both very important. We can talk about them both, some of the things that need to be done for the Social Security Program as it exists and some of the things that can be done in the area of personal accounts.

There are difficult choices to be made. Obviously, some talk about increasing the payroll taxes. I don't think anyone is enthusiastic about that idea. There are ideas of going over the limits that are now there for the people who pay into, over a certain amount. That could be increased, I suppose. That is one of the options.

The idea of doing something about benefits, of course, is also an option. I do not know quite what specifically could be done, but I suppose there is talk about having benefits somewhat tied to the person's own resources and providing more benefits to people who have less resources than those who have more. That is a possibility.

I mentioned increasing the cap on the wages taxed. That has been talked about. Now the limit is \$90,000. Some say it might be able to go above that.

There certainly are opportunities to talk about raising the age limit. One of the things that has changed so much, of course, is the fact that when the Social Security Program started, there were maybe as many as 20-some people working for every person drawing benefits. Now that has changed dramatically. It is my understanding that now there are about three working people for every person drawing benefits. So that is quite a different situation.

At the start of Social Security I think life expectancy was probably in

the lower sixties. If you retired at age 65, quite a number of people did not enjoy the benefits of Social Security. Now, fortunately, life expectancy is much longer than that. So some have talked about perhaps over time raising the age for retirement.

There will be other options, of course, as to how these things might be done. I guess my real strong feeling is, No. 1, we have to do something because the system cannot go on as it has. No. 2, we ought to get as knowledgeable as we possibly can—all of us—about what the impacts are, what the situation is, what the alternatives are that could be used.

I think another idea is that it does not need to be done next week. This is something we can work on for a while. I do not mean 5 years, but maybe towards the end of the year we would be in a better position to do something. But the changes are not an option. We have to do some of those kinds of things, and we have to do them fairly quickly.

I was a little disappointed that, as this issue came out, we found some kind of immediate reaction: We are not going to do anything with that; We don't want to touch it.

Well, that is not an option, in our view. I suppose you could argue about critical timing, but it is very clear the longer we wait, the more difficult it will be to find solutions, and the more impact those solutions will have on what we are talking about.

Another idea, of course, is that we ought to look at other ways to do it. As a matter of fact, we have some bills, and the administration is looking at doing some things to encourage more tax-free investments for people's retirement years. I think that is one of the great ideas. There are two ways to do that, of course. No. 1, you can allow those moneys to go into an account before taxes, or the alternative is to go ahead and pay taxes on it now, and when it comes out, there would be no taxes on it.

For people who are in their retirement years, to be able to take their money out without taxing it is probably one of the most attractive alternatives. I have been working with the administration, and we intend to have a bill soon that will make it a little simpler. We have quite a number of different kinds of retirement programs now, and they are a little difficult to keep up with, and a little confusing, so we will soon, hopefully, make those a little bit different.

I am very pleased the President has undertaken this effort and has spent a good deal of time on it. He has basically handed the Congress a blueprint. Some are saying: Well, where is the plan? I think it is good the President has laid out the problem, laid out some of the alternatives, but has, in fact, said—and our committee met with him some time ago in the White House, and he indicated that, no, he is not sending out a specific proposal but is giving us

ideas and a broader concept of where he would like to see us go.

So looking to the future, for all of us, as citizens—for the country, for ourselves—is something we must do.

Mr. President, I see my friend from Pennsylvania in the Chamber. I yield the floor.

The PRESIDING OFFICER. The majority's 30 minutes is now expired.

Mr. SANTORUM. Mr. President, since I do not see anybody on the other side, I ask unanimous consent for 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Pennsylvania is recognized.

Mr. SANTORUM. Mr. President, first I thank and congratulate the Senator from Wyoming for his comments and also for his steadfast duty in coming here to make the case on a variety of different issues. This issue, in particular, Social Security, is a passion of mine, something I have worked on since I came to the Senate back in 1995. To me, this, as the Senator from Wyoming just said, is about a social compact from one generation to the next.

What we are in danger of doing is breaking that compact. We are in danger of telling the next generation of Americans who are entering the workforce that if we do nothing now, they, as a generation, will not get a positive return on their money. In other words, they will not get out of the system money they put in. To me, that is breaking this compact.

Every generation of seniors that has retired—in fact, those who are at or near retirement now—will, in fact, be able to get some measure of return on their money. Some earlier generations got very high rates of return. This generation's retirees will get a relatively low rate of return, but they will have invested money or paid into the program for people in the system while they were working and at least be able to get their money out of the system they paid in when they retire.

If we do nothing, which some have suggested we should do, which I think is irresponsible, but if we do nothing and simply wait for this generation that is in their twenties and thirties right now to retire, then they will be hit with one of two things. Either in the next few years—10 to 15 years—they will be hit with payroll taxes which will take their rate of return, if you will, from a bare positive to a negative or they will be hit with benefit cuts which, again, will take their rate of return—to get out of the system what they put in—and turn that into a negative.

That, in my mind, is breaking the compact. That is saying we have now turned Social Security into somewhat of just simply a tax from one generation and transferring it to another in an ever-increasing severity of tax. I think we can do better than that. That is what the President has suggested. He has come forward on an issue that he

did not have to. This problem is not going to hit America until probably the midteens when we begin to go negative into the Social Security system. In other words, we will not have the amount of money coming in to pay for benefits. Borrowing will have to start to occur from the Government side to pay off these bonds that are in the Social Security trust fund in order to pay benefits. We will do something at that point in time because the deficit impact will be huge on the United States of America.

Social Security, instead of running \$100 billion surpluses, will be running \$200 billion deficits. Compound that with the growth of Medicare and other things we are seeing, and we will be in a huge deficit situation, which will cause either income taxes to go up, spending on the Government side to go down—which I think is highly unlikely—benefit cuts in Medicare and Social Security, or tax increases for Medicare and Social Security. Any one of those situations puts a burden on future generations either through benefit reductions or tax increases, which I think is breaking the compact that we have had since 1936 with our seniors.

I am hopeful we can find some bipartisan cooperation to look at the problem that is confronting us and say: We have an opportunity to give people hope, to give younger people hope that we can have a better system for them than currently is promised. What is promised for people in their twenties right now is basically 70 cents on the dollar of the benefits that are promised under the system. We can only pay for 70 cents on the dollar. That is what this current system provides.

So when you hear, "We will keep these promises," I understand what keeping the promises means. It means higher taxes for future workers or lower benefits for future retirees. That is what happens if we wait.

So the idea that says there is no problem, understand what that means. That means future generations—whether it is 5 years from now, 10 years from now, 15 years from now—will be hit with higher taxes and lower benefits or some combination of them or maybe one exclusive of the other. But the bottom line is, it is going to impact adversely that generation of workers and that generation of seniors.

We can avoid this problem right now if we allow younger workers the opportunity to put some money away, invest in the American economy, the strength of the American economy, with broad-based index funds that invest in the growth and future of the American economy, which I think we all have high hopes for and believe will be strong going into the future. We believe that is the most responsible way of avoiding this breaking of the compact with future generations, of saying to future generations they will not do as well as other generations of Americans have done under the current system.

So with that, Mr. President, I thank the other side for their indulgence and for the 5 minutes, and I yield the floor.

The PRESIDING OFFICER. The next 30 minutes is controlled by the Democratic leader or his designee.

Mrs. MURRAY. Mr. President, I ask unanimous consent for an additional 5 minutes on the Democratic side as well.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

#### SOCIAL SECURITY

Mrs. MURRAY. Mr. President, I come to the floor today to reiterate that I am extremely concerned about President Bush's proposed Social Security restructuring, privatization—whatever the code word of the day is—restructuring, which I believe is going to put at real risk the security of all Americans in this country, from our young workers who will be retiring in future decades, to our seniors who are retiring today or who are already retired.

As President Bush's plan has come out, we are realizing what it will do. It will end the guaranteed benefit that is such a critical part of this insurance program today. We also see that it is going to do nothing to fix the long-term issues that face Social Security. Just privatizing and restructuring it is not going to solve those long-term issues.

I am also here today to emphasize the fact that this restructuring or privatization plan is going to add trillions of dollars to our national debt—trillions of dollars when we already have record deficits that future generations will be responsible for. This privatization plan adds trillions of dollars to our national debt.

As President Bush has been traveling around the country to sell his privatization plan, we hear him say:

We have an obligation and a duty to confront problems and not pass them on to future generations.

Well, many of us, on both sides of the aisle, agree with him. We should not create new problems for the next generation to handle. But the trouble is, that is exactly what this President's plan does. It actually adds to the problems of the next generation. It does nothing to solve them.

I think it is time for President Bush to level with the American people about what his program really is. It really is a new recipe for a continuing fall into a black hole of debt. This plan, as the President is proposing, is going to run up \$5 trillion in debt that our generation will not pay for. It is going to fall squarely on the shoulders of our children and our grandchildren.

The President not only wants to gamble away the secure future that retirees count on today, he wants to burden them with a huge new \$5 trillion debt.

Now, there is another point worth making about the President's plan as

well. I keep hearing him say that anyone over 55 will not be affected. Anyone over 55—well, let's be clear. Anyone over 55 will be impacted by this tremendous new debt that is incurred.

President Bush can say he will not cut your benefits now, but how can he guarantee that if we take trillions of dollars from the Social Security trust fund for this privatization plan?

All we have to do, to understand this situation, is to look at the record.

Just last week, we got a budget with the biggest deficit in our Nation's history—4 short years after the budget had the largest surplus in our Nation's history. A few days later, we saw cost estimates for the Medicare prescription drug benefit balloon from the \$400 billion we were told it would cost to now it costing more than \$700 billion.

Now the Bush administration plans to add trillions to our balance sheet by privatizing Social Security. Let's take a look at this chart. It tells the picture clearly. As we see with this chart, there is more red ink in the President's budget than we care to see for years to come. Unfortunately, if his privatization plan goes into effect, massive new debt increases are added in the years after this plan takes effect. The President, as he did with Medicare, likes to talk about the cost of implementation over 10-year periods. What he does not mention is that for 5 years under those projections, the plan is not fully phased in. So rather than considering his already bloated \$700 billion transition projection, let's look at an outside source.

The Center on Budget and Policy Priorities says the borrowing numbers we have heard from the administration "are misleadingly low."

They are generated by using a ten-year budget window (2006 to 2015) that includes only five years of the fully phased-in plan. The plan would not be launched until 2009 and not be in full effect until 2011.

Over the first ten years that the plan actually was in effect (2009 to 2018) it would add \$1.4 trillion to the debt. Over the next ten years (2019 to 2028) it would add about \$3.5 trillion more to the debt. All told, the plan would add \$4.9 trillion (14 percent of GDP in 2028) to the debt over the first 20 years.

That is almost \$5 trillion. That money is going to have to come from somewhere, and it is pretty naive to think that huge new borrowing will not affect our current retirees. It is naive to think massive new borrowing won't affect programs such as Medicare or Medicaid that do need our attention. And it is naive to think we will simply go along and pass this massive new problem on to our children and grandchildren.

A story a couple of days ago in the Washington Post was headlined "After Bush Leaves Office, His Budget Costs Balloon." I want to read a few lines from that story.

It warned that "the numbers released in recent days add up to a budgetary landmine that could blow up just as the next president moves into the Oval Office."